

Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 SS-15 AF-10 ARA-10 EA-07
EUR-12 IO-13 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02
SIL-01 OMB-01 NSC-05 STR-04 CEA-01 H-01 ABF-01
L-03 PA-01 PRS-01 AGRE-00 IGA-02 SSO-00 NSCE-00
INRE-00 USIE-00 /134 W

-----002668 110811Z /10

O 110731Z JUL 77

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 3468

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E.O. 11652: N/A

TAGS: AORG UN IR

SUBJ: WORLD BANK/IMF PROPOSALS TO INCREASE EXECUTIVE DIRECTORES
AND LATERNATES SALARIES

REF: STATE 159020

1. EMB HAS FORWARDED TREASURY SECY BLUMENTHAL'S LETTER TO MINISTER
ECONOMIC AFFAIRS AND FINANCE HUSHANG ANSARY AND GOVERNOR CENTRAL
BANK OF IRAN HASSAN-ALI MEHRAN, GOVERNORS FOR IRAN FOR IBRD AND
IMF RESPECTIVELY. ANY FORMAL REACTION TO SECY'S LETTER WILL BE
PROMPTLY REPORTED.

2. IN COURSE OF CONVERSATION WITH CBI'S VICE GOVERNOR
SHIRAZI LAST WEEK, EMBOFF NOTED THAT SECY BLUMENTHAN'S LETTER WAS
ENROUTE AND REQUESTED THAT IRAN NOT MAKE ITS DECISION UNTIL LETTER
RECEIVED. SHIRAZI REPLIED THAT HE WAS WELL ACQUAINTED WITH THE
ISSUE, SAYING THAT PROPOSED SALARY INCREASES FOR EXECUTIVE DIR-
ECTORS AND ALTERNATES FOR THE TWO INSTITUTIONS HAD BEEN "VETOED"
BY US IN TWO PREVIOUS EARS. SHIRAZI GAVE IT AS HIS PERSONAL
OPINION (AND WE THINK IT IS CBI GOVERNOR MEHRAN'S OPINION AS WELL)
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THAT SALARY INCREASE IS JUSTIFIED TO COMPENSATE FOR INCREASE IN
COSTS OF LIVING. EMBOFF COUNTERED WITH OBSERVATION THAT IN OUR
VIEW COMPENSATION INCREASES PROPOSED FAR EXCEED RATE OF INFLATION
AND THAT PRESENT SALARY LEVELS GREATLY IN EXCESS OF USG AND US
PRIVATE SECTOR OFFICIALS OF EQUIVALENT RESPONSIBILITY. SHIRAZI TOOK
EXCEPTION TO THIS STATEMENT AND ASSERTED THAT REMUNERATION LEVEL
IN PRIVATE SECTOR FOR EQUIVALENT PERSONNEL "RUNS AS ABOUT \$150,000

PER YEAR". HE SAID, HOWEVER, THAT IRAN'S FINAL POSITION WOULD BE DEFERRED UNTIL SECY BLUMENTHAL'S LETTER HAD BEEN RECEIVED AND STUDIED.

3. IN CONVERSATION WITH EMBOFF YESTERDAY, JULY 10, DEP MINISTER SHORAKA OF MEAF TOOK POSITION CONTRARY TO THAT PUT FORWARD BY SHIRAZI. SHORAKA SAID THAT HE THOUGHT IBRD/IMF ED SALARY LEVELS WERE ALREADY HIGH ENOUGH. STATED THAT HE DID NOT KNOW WHAT HIS MINISTER'S POSITION WOULD BE BUT OBSERVED THAT PRESENT REMUNERATION LEVEL AT \$83,000 ON TAXABLE BASIS WAS IMPRESSIVE ENOUGH. EMBOFF CALLED HIS ATTENTION TO ERROR IN COMMITTEE'S REPORT (PARA 6 REFTEL). HE SAID THAT HE WOULD LET EMB KNOW AS SOON AS IRAN'S POSITION ON THE ISSUE HAD JELLED, ADDING THAT HE THOUGHT THAT US AND IRAN WERE NOT FAR APART ON THE QUESTION.

4. AS DEPT KNOWS, PREVIOUS LETTERS FROM US SECYS OF THE TREASURY AND EMB REPRESENTATIONS HAVE NOT BEEN SUCCESSFUL IN PAST IN CONVINCING IRAN OF THE MERIT OF OUR VIEWS ON THIS ISSUE. PART OF THE PROBLEM IN THE PAST, AT ANY RATE, IS ATTRIBUTABLE TO FACT THAT JOINT COMMITTEE ON REMUNERATION WHICH RECOMMENDED INCREASES HAD BEEN CHAIRED BY JEANGIR AMOUZEGAR, IRAN'S AMB FOR ECONOMIC MATTERS IN WASHINGTON. HERETOFORE, CBI AND MEAF HAVE BEEN OF ONE MIND ON VALIDITY OF SALARY INCREASE PROPOSALS AND WE DO NOT KNOW WHAT PRESENT DIVERGENCE OF OPINION AT SUB-MINISTERIAL LEVEL PORTENDS. WHILE ANSARY IF POLITICALLY A HEAVIER FIGURE THAN MEHRAN, IT IS NOT CERTAIN THAT HE WOULD BE DISPOSED TO OVERRIDE LIMITED OFFICIAL USE

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MEHRAN'S VIEW (AND HE HAS CLOUT TO DO THIS) IF LATTER FELT STRONGLY ABOUT MATTER. NEITHER DO WE KNOW IF ANSARY SHARES HIS DEPUTY'S VIEW.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN06084
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770245-0657
Format: TEL
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770769/aaaacinb.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 12be676d-c288-dd11-92da-001cc4696bcc
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Review Action: RELEASED, APPROVED
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: WORLD BANK/IMF PROPOSALS TO INCREASE EXECUTIVE DIRECTORES AND LATERNATES SALARIES
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To: STATE
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